

# **Export *Express***

A Loan Program for Small Business Exporters

**T**he number of small businesses that export has tripled in the last decade. In the past five years, the value of small business exports has increased 300 percent. Despite this surge in export activity, many small businesses continue to have difficulty in obtaining export financing. That's why the U.S. Small Business Administration has created the SBA Export *Express* Pilot Loan Program.

SBA Export *Express* combines the SBA's small business lending assistance with its technical assistance programs to help small businesses that have traditionally had difficulty in obtaining adequate export financing. The pilot program is available throughout the country and is expected to run through September 30, 2005.

SBA Export *Express* helps small businesses that have exporting potential, but need funds to buy or produce goods, and/or to provide services, for export. Loan proceeds may be used for most business purposes, including expansion, equipment purchases, working capital, inventory or real estate acquisitions.

## **Who Can Use this Program?**

SBA Export *Express* loans are available to persons who meet the normal requirements for an SBA business loan guaranty. Loan applicants must also –

- demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market, and
- have been in business operation, though not necessarily in exporting, for at least 12 months.

## **How Does the Program Work?**

Any lender that is authorized to participate in the SBA *Express* loan program may participate in SBA Export *Express*. A list of authorized lenders can be obtained by either contacting the SBA representative in the U.S. Export Assistance Center nearest you (a list of centers is on the back of this brochure). SBA Export *Express* lenders use streamlined and expedited loan review and approval procedures to process SBA guaranteed loans. The lender uses its own loan analyses, loan procedures and loan documentation. Completed loan applications are submitted for approval to the SBA's processing center in Sacramento, California. The SBA provides the lender with a response, typically within 36 hours.

## **What is the SBA Guaranty?**

The SBA guaranty encourages lenders to make loans to small business exporters that they might not make on their own. The SBA's Export *Express* guaranty levels are 80 percent on loans of \$100,000 or less and 75 percent on loans of more than \$100,000. The maximum loan amount under Export *Express* is \$150,000.

## **Terms, Interest Rates and Fees**

Interest rates are negotiated between the borrower and the lender. Rates can either be fixed or variable, and are tied to the prime rate as published in *The Wall Street Journal*. Throughout the loan term, the interest rate may not exceed 2.25 percent over the prime rate for a loan with a maturity of less than seven years, and 2.75 percent over prime for a loan of seven years or longer. If the loan is under \$50,000, the lender may charge a slightly higher rate.

Like most 7(a) loans, the maturity of an SBA Export *Express* term loan is usually five to 10 years for working capital, 10 to 15 years for machinery and equipment (not to exceed the useful life of the equipment), and up to 25 years for real estate. The maturity for revolving lines of credit may not exceed five years.

The guaranty and servicing fees under SBA Export *Express* are the same as for regular SBA 7(a) guaranty loans.

## Technical Assistance

Because many small business exporters face unique problems and challenges, the SBA Export *Express* Program also includes technical assistance in the form of marketing, management and planning assistance.

Technical assistance is provided by SBA's U.S. Export Assistance Centers, in cooperation with SBA's network of resource partners, including the Small Business Development Centers (SBDCs) and Service Corps of Retired Executives (SCORE).

On approval of an SBA Export *Express* loan, a U.S. Export Assistance Center representative will contact the borrower to offer appropriate assistance. This assistance may include training offered through the SBA's Export Trade Assistance Partnership, SBDC International Trade Center, SCORE, District Export Council, or Export Legal Assistance Network.

## What About My Other Financing Needs?

The SBA offers a range of long- and short-term financing options for small business exporters. The **Export Working Capital Program** (EWCP) allows the SBA to provide lenders with a repayment guaranty of up to \$750,000 or 90 percent on short-term working capital loans that participating lenders make to small business exporters.

The SBA's **International Trade** (IT) Loan Program was designed to assist small business exporters that require both working capital and fixed-asset financing. Under the IT loan program, the SBA can guarantee as much as \$1.25 million in combined working capital and facilities-and-equipment loans. The working capital portion of the loan may be made according to the provisions of the Export Working Capital Program.

For more information about SBA Export *Express* or other SBA export assistance programs, please contact the SBA representative in the U.S. Export Assistance Center nearest you:

Atlanta – (404) 657-1961  
Baltimore – (410) 962-4582  
Boston – (617) 424-5953  
Charlotte – (704) 344-2130  
Chicago – (312) 353-8065  
Cleveland – (216) 522-4731  
Dallas – (214) 767-0533  
Denver – (303) 844-6623 x 18  
Detroit – (313) 226-3670  
Long Beach – (562) 980-4557

Miami – (954) 356-6640 x 17  
Minneapolis – (612) 348-1642  
New Orleans – (504) 589-6702  
New York – (212) 466-2958  
Philadelphia – (215) 597-6110  
Portland – (503) 326-5498  
San Jose – (408) 271-7300 x 106  
Seattle – (206) 553-0051  
St. Louis – (314) 425-3304 x 228

SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone director, or contact:

- Phone: 1-800 U ASK SBA
- E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- TDD: 704-344-6640
- Home Page: [www.sba.gov](http://www.sba.gov)